

ANNUAL REPORT
of the
DETROIT AND MACKINAC
RAILWAY COMPANY

FOR THE FISCAL YEAR ENDED DECEMBER 31st
1940

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DETROIT AND MACKINAC RAILWAY COMPANY

DIRECTORS AND OFFICERS

BOARD OF DIRECTORS

HENRY K. McHARG	Ridgefield, Conn.
JAMES BROWN MABON	New York, N. Y.
JAMES McNEIL	New York, N. Y.
EDWIN G. MERRILL	New York, N. Y.
C. A. PINKERTON	East Tawas, Mich.

OFFICERS

HENRY K. McHARG, <i>President</i>	Ridgefield, Conn.
C. A. PINKERTON, <i>Vice-President and General Manager</i>	Tawas City, Michigan
N. W. SALSBERY, <i>Secretary and Treasurer</i>	Tawas City, Michigan
JAMES McNEIL, <i>Asst. Secretary and Asst. Treasurer</i>	New York, N. Y.
GEORGE J. BERGEVIN, <i>Auditor</i>	Tawas City, Michigan
R. W. HICKEY, <i>Purchasing Agent</i>	Tawas City, Michigan
CARL R. HENRY, <i>General Counsel</i>	Alpena, Michigan
A. S. MATTESON, <i>Traffic Manager</i>	Alpena, Michigan

FISCAL AND TRANSFER AGENTS

J. P. Morgan & Company	New York, N. Y.
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REGISTRAR OF STOCK

Central Hanover Bank and Trust Company	New York, N. Y.
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ANNUAL MEETING

The last Tuesday in April is the date of Annual Meeting of Stockholders

General Office (in Michigan)	Tawas City, Michigan
General Office (outside of Michigan)	110 William Street, New York, N. Y.

COLEGROVE, MURPHY & ANGELL
CERTIFIED PUBLIC ACCOUNTANTS
LAFAYETTE BUILDING
DETROIT

ALBERT M. COLEGROVE, C. P. A.
HARRY L. MURPHY, C. P. A.
C. ROBERT ANGELL, C. P. A.

February 8, 1941

Mr. George J. Bergevin, Auditor,
Detroit and Mackinac Railway Company
Tawas City, Michigan.

Dear Sir:

Pursuant to your request, we have made a cash audit of the accounts of the Detroit and Mackinac Railway Company for the year ended December 31, 1940, and herewith present statements showing the result of the operation of your company for the period under review.

We certify that, according to the books and records, the attached balance sheet reflects the true financial condition of your company as at December 31, 1940, and the accompanying schedules are a correct expression of the results of your operations for the year ended on that date.

Very truly yours,

COLEGROVE, MURPHY & ANGELL,

By Harry L. Murphy,

Certified Public Accountant.

REPORT OF THE
VICE-PRESIDENT TO THE STOCK AND BONDHOLDERS
OF THE
DETROIT AND MACKINAC RAILWAY COMPANY

Tawas City, Michigan

To the Stockholders and Bondholders of the Detroit and Mackinac
Railway Company:

All Revenue Accounts with the exception of a few minor accounts decreased during the year, the result being a Net Decrease of \$27,128.35 in our total Operating Revenues. The decrease in sugar beet, sugar stone and crude oil tonnage, due to a poor sugar beet season and a decline in oil well production, along with a constantly declining passenger business, are the important items that make up this decrease. Government regulations controlling the sugar industry also had its effect on limiting the volume of sugar beets and stone during the year.

Operating Expenses were reduced \$20,034.42 by adhering to a policy of economy in maintenance and operation of the property. Our Operating Ratio, (percentage of Operating Revenues required to pay Operating Expenses), was 73.4%. The Net Income for the year was \$19,626.53, compared with \$16,080.37 in 1939.

While many improvements in the property were deferred, a fair standard of track and building maintenance was carried out, including refencing, ballasting and relaying rail in track.

Tax Accruals under the many Taxing Acts is an increasingly large item of expense and a heavy drain on the revenues of your company.

Competitive forms of transportation continue to seriously effect our annual revenues.

I am grateful for the assistance and support of our patrons, and for the loyal cooperation of the officers and employees, to whom I extend my sincere appreciation.

The usual tables for your information follow.

Respectfully submitted,

C. A. PINKERTON,
Vice-President and General Manager.

DETROIT AND MACKINAC RAILWAY COMPANY

OFFICE OF AUDITOR

Tawas City, Mich., Jan. 27, 1941

HENRY K. McHARG, ESQ.,
President.

Dear Sir:

I herewith submit statements of the General Accounts and tables showing the result of operations of the Detroit and Mackinac Railway Company for the fiscal year ended December 31st, 1940, as follows:

TABLE A—Condensed General Balance Sheet.

TABLE B—Income Account.

TABLE C—Particulars of Bonded Debt.

TABLE D—Comparative Financial Statement.

TABLE E—Revenues and Expenses by Years.

TABLE E-1—Net Revenue from Railway Operations and Tax Accruals by Years.

TABLE F—Details of Operating Expenses.

TABLE G—Mileage.

TABLE H—Classification of Freight Tonnage, 1939 and 1940.

TABLE I—Statistics for Years 1939 and 1940.

TABLE J—Equipment.

TABLE K—Yard Tracks, Sidings and Spurs built and taken up during year.

Respectfully,

GEORGE J. BERGEVIN,

Auditor.

TABLE A

DETROIT AND MACKINAC RAILWAY COMPANY

CONDENSED GENERAL BALANCE SHEET AS OF DECEMBER 31, 1940, AND COMPARISON WITH
GENERAL BALANCE SHEET AS OF DECEMBER 31, 1939, SHOWING INCREASE OR DECREASE

ASSETS

	Items	Total	Increase	Decrease
<i>Investments:</i>		\$7,194,612.48		
Investment in Road and Equipment.....	\$7,147,776.43		\$21,916.14	
Miscellaneous Physical Property.....	40,737.08		1.56	
Investments in Affiliated Companies.....	5,913.97			\$ 140.81
Deposits in Lieu of Mortgage Property Sold.....	185.00		125.00	
<i>Current Assets:</i>		370,641.86		
Cash.....	136,077.91			37,962.42
Special Deposits—J. P. Morgan Coupon Account.....	3,340.00			1,200.00
Traffic and Car Service Balances Receivable.....	9,063.31		5,127.26	
Net Balances Receivable from Agts. and Conductors.....	17,782.86		4,389.17	
Miscellaneous Accounts Receivable.....	27,060.11		6,519.99	
Material and Supplies.....	177,317.67			1,335.97
Other Current Assets.....				32.79
<i>Deferred Assets:</i>		867.54		
Working Fund Advances.....	867.54		300.00	
<i>Unadjusted Debits:</i>		11,031.58		
Insurance Premiums Paid in Advance.....	4,222.61		2,824.48	
Other Unadjusted Debits.....	6,808.97			116.81
Total.....		\$7,577,153.46	\$ 414.80	

TABLE A—(Continued)

LIABILITIES		Total	Increase	Decrease
Items				
Capital Stock:		\$2,950,000.00		
Common Stock	\$2,000,000.00			
Preferred Stock	950,000.00			
Grants in Aid of Construction:		313.10		
Long Term Debt:		2,622,000.00		
First Lien Bonds	\$1,476,000.00			
Held in Treasury	104,000.00			
Outstanding	1,372,000.00			
Mortgage Bonds	1,750,000.00			
Pledged as Collateral	500,000.00			
Outstanding	1,250,000.00	175,000.00		\$60,000.00
Non-Negotiable Debt to Affiliated Companies:		124,194.56		
Current Liabilities:			\$ 3,530.73	
Traffic and Car Service Balances Payable	46,526.53		14,995.95	
Audited Accounts and Wages Payable	54,913.91		126.87	
Miscellaneous Accounts Payable	8,620.10			26,200.00
Interest Matured Unpaid	3,340.00			200.00
Unmatured Interest Accrued	9,323.34			3,053.38
Other Current Liabilities	1,470.68			
Deferred Liabilities:		25,000.00		
Matured Interest in Default	25,000.00		25,000.00	
Unadjusted Credits:		983,160.81		
Tax Liability	21,654.36		804.48	
Accrued Depreciation—Road	133,576.04			
Accrued Depreciation—Equipment	823,664.97		29,637.55	
Other Unadjusted Credits	4,265.44			1,502.22
Corporate Surplus:		697,484.99		
Additions to Property through Income and Surplus	1,856,947.06			
Profit and Loss—Debit Balance	1,159,462.07		17,274.82	
Total		\$7,577,153.46	\$ 414.80	

TABLE B

DETROIT AND MACKINAC RAILWAY COMPANY

INCOME ACCOUNT, DECEMBER 31, 1940, COMPARED WITH FISCAL YEAR ENDED DECEMBER 31, 1939

	1940	1939	Increase	Decrease
Freight	\$ 729,931.11	\$ 748,955.10		\$19,023.99
Passenger	25,604.09	30,302.15		4,698.06
Excess Baggage	29.21	27.34	\$ 1.87	
Mail	42,811.67	42,506.91	304.76	
Express	13,015.06	13,847.29		832.23
Other Passenger Train	1,157.34	2,454.13		1,296.79
Milk	7,426.48	8,490.46		1,063.98
Switching	22,692.84	23,255.09		562.25
Station, Train and Boat Privileges	74.98	73.29	1.69	
Parcel Room	4.90	6.40		1.50
Storage—Freight	380.95	428.32		47.37
Demurrage	822.30	858.00		35.70
Telegraph and Telephone	105.51	126.51		21.00
Rents of Buildings and Other Property	4,441.08	4,405.34	35.74	
Miscellaneous	1,162.05	1,055.59	106.46	
Joint Facility—Cr.	21.14	17.14	4.00	
Total Operating Revenues	\$ 849,680.71	\$ 876,809.06		\$27,128.35
OPERATING EXPENSES				
Maintenance of Way and Structures	\$ 139,608.68	\$ 129,267.43	\$10,341.25	
Maintenance of Equipment	141,278.86	168,761.53		\$27,482.67

TABLE B—(Continued)

	1940	1939	Increase	Decrease
Traffic	\$ 11,332.30	\$ 11,664.86		\$ 332.56
Transportation—Rail Line	298,028.18	299,689.50		1,661.32
Miscellaneous Operations	234.81	314.50		79.69
General	37,513.71	37,093.77	\$ 419.94	
Transportation for Investment—Cr.....	4,367.50	3,128.13	1,239.37	
Total Operating Expenses	\$ 623,629.04	\$ 643,663.46		\$20,034.42
Net Operating Revenue	226,051.67	233,145.60		7,093.93
Railway Tax Accruals	41,753.93	43,708.16		1,954.23
Railway Operating Income	\$ 184,297.74	\$ 189,437.44		\$ 5,139.70
Income from Lease of Road and Equipment	1,813.87	1,884.80		70.93
Miscellaneous Rent Income	2,320.54	2,159.50	161.04	
Miscellaneous Non-Operating Physical Property	996.04	402.91	593.13	
Miscellaneous Income	127.83	5.00	122.83	
Equipment Rents	† 51,379.67	† 56,713.14	5,333.47	
Joint Facility Rents	† 2,279.21	† 1,848.88		430.33
Total Income	\$ 135,897.14	\$ 135,327.63	\$ 569.51	
Miscellaneous Rents	30.00	30.00		
Miscellaneous Tax Accruals	1,084.92	1,063.94	20.98	
Interest on Funded Debt	113,221.66	114,280.00		1,058.34
Interest on Unfunded Debt	22.23	19.92	2.31	
Miscellaneous Income Charges	1,911.80	3,853.40		1,941.60
Income Balance Transferred to Profit and Loss	\$ 19,626.53	\$ 16,080.37	\$ 3,546.16	
†Debit				

TABLE B—(Continued)

DETROIT AND MACKINAC RAILWAY COMPANY

PROFIT AND LOSS ACCOUNT

Debit Balance, January 1, 1940.....	\$ 1,176,736.89	
Credit Balance Transferred from Income.....		\$ 19,626.53
Miscellaneous Credits		2,957.94
Debits from Retired Road and Equipment.....	4,931.28	
Miscellaneous Debits	378.37	
Debit Balance Carried to Balance Sheet.....		1,159,462.07
	<u>\$ 1,182,046.54</u>	<u>\$ 1,182,046.54</u>

TABLE C

PARTICULARS OF BONDED DEBT

Class of Bonds	Amount Outstanding	INTEREST		Interest Accrued During Year	Principal Due
		Rate	When Payable		
First Lien	\$1,372,000.00	4 %	June and December	\$ 54,880.00	June 1, 1995
Mort.	1,250,000.00	4 %	June and December	50,000.00	June 1, 1995
	<u>\$2,622,000.00</u>			<u>\$104,880.00</u>	

TABLE D

DETROIT AND MACKINAC RAILWAY COMPANY

COMPARATIVE FINANCIAL STATEMENT

CURRENT ASSETS	Dec. 31, 1938	Dec. 31, 1939	Dec. 31, 1940
Cash	\$ 119,809.04	\$ 174,040.33	\$ 135,077.91
Special Funds	6,380.00	4,540.00	3,340.00
Due from Station Agents and Others	35,369.79	33,933.81	44,842.97
Material and Supplies.....	175,330.14	178,653.64	177,317.67
Prepaid and Deferred Charges.....	3,690.76	1,998.46	5,090.15
Other Unadjusted Debits	6,797.04	6,925.78	6,808.97
Totals	\$ 347,376.77	\$ 400,092.02	\$ 373,477.67
LESS CURRENT LIABILITIES			
Audited Vouchers and Pay Rolls.....	\$ 38,425.21	\$ 39,917.96	\$ 54,913.91
Notes Payable	235,000.00	235,000.00	175,000.00
Accrued Taxes, Interest and Traffic Balances	112,514.55	111,990.26	106,871.70
Totals	\$ 385,939.77	\$ 386,908.22	\$ 336,785.61
Net Assets	\$* 38,563.00	\$ 13,183.80	\$ 36,692.06
CAPITAL ASSETS			
Cost of Road	\$ 6,041,027.61	\$ 6,033,982.69	\$ 6,040,417.15
Cost of Equipment	1,132,407.67	1,091,877.60	1,107,359.28
Miscellaneous Physical Property.....	40,788.52	40,735.52	40,737.08
Investments in Affiliated Companies..	6,336.40	6,054.78	5,913.97
Deposits for Property Sold	60.00	60.00	185.00
Totals	\$ 7,220,620.20	\$ 7,172,710.59	\$ 7,194,612.48
REPRESENTING			
Bonds Issued—First Lien	\$ 1,372,000.00	\$ 1,372,000.00	\$ 1,372,000.00
Bonds Issued—Mortgage	1,250,000.00	1,250,000.00	1,250,000.00
Stock Issued—Common	2,000,000.00	2,000,000.00	2,000,000.00
Stock Issued—Preferred	950,000.00	950,000.00	950,000.00
Reserves	924,444.68	927,603.46	957,241.01
Grants in Aid of Construction.....	313.10	313.10	313.10
Other Unadjusted Credits	2,009.95	5,767.65	4,265.44
Additions to Property through In- come and Surplus.....	1,856,947.06	1,856,947.06	1,856,947.06
Surplus	† 1,173,657.59	† 1,176,736.89	† 1,159,462.07
Totals	\$ 7,182,057.20	\$ 7,185,894.39	\$ 7,231,304.54

†Deficit. *Credit.

TABLE E

DETROIT AND MACKINAC RAILWAY COMPANY

REVENUES AND EXPENSES BY YEARS

	1936		1937		1938		1939		1940	
	Amount	Per Cent	Amount	Per Cent	Amount	Per Cent	Amount	Per Cent	Amount	Per Cent
REVENUES										
Freight	\$690,506.05	85.94	\$768,055.12	86.74	\$760,616.55	86.64	\$748,955.10	85.42	\$729,931.11	85.91
Passenger	37,276.88	4.64	38,500.03	4.35	31,473.23	3.59	30,302.15	3.46	25,604.09	3.01
Mail	40,506.40	5.09	41,553.81	4.69	42,764.63	4.87	42,506.91	4.85	42,811.67	5.04
Express	15,067.44	1.88	13,701.47	1.55	9,626.87	1.10	13,847.29	1.58	13,015.06	1.53
Milk	9,297.27	1.16	9,462.96	1.07	8,771.08	1.00	8,490.46	.97	7,426.48	.87
Other Sources	10,430.35	1.29	14,172.07	1.60	24,603.87	2.80	32,707.15	3.72	30,892.30	3.64
Total	\$803,484.39	100 %	\$885,445.46	100 %	\$877,856.23	100 %	\$876,809.06	100 %	\$849,680.71	100 %
EXPENSES										
Maint. Way and Structures..	\$126,113.55	20.83	\$143,950.33	20.72	\$138,121.28	21.90	\$129,267.43	20.08	\$139,608.68	22.39
Maintenance Equipment	140,203.54	23.16	184,640.13	26.58	139,265.15	22.09	168,761.53	26.22	141,278.86	22.65
Traffic	10,954.43	1.81	11,414.95	1.64	11,839.71	1.88	11,664.86	1.82	11,332.30	1.82
Transportation	286,450.57	47.33	313,698.78	45.16	306,232.74	48.56	299,689.50	46.56	298,028.18	47.78
Miscellaneous Operations	124.20	.02	189.90	.03	128.43	.02	314.50	.05	234.81	.04
General	42,061.62	6.95	41,531.96	5.98	36,910.16	5.85	37,093.77	5.76	37,513.71	6.02
Transportation for Investment—Cr.	602.12	.10	782.19	.11	1,897.82	.30	3,128.13	.49	4,367.50	.70
Total	\$605,305.79	100 %	\$694,643.86	100 %	\$630,599.65	100 %	\$643,663.46	100 %	\$623,629.04	100 %
Net Earnings	\$198,178.60	24.66	\$190,801.60	21.55	\$247,256.58	28.17	\$233,145.60	26.59	\$226,051.67	26.60
Taxes	21,118.51	2.63	35,134.67	3.97	34,889.55	3.98	43,708.16	4.98	41,753.93	4.91
Net Earnings, less Taxes	\$177,060.09	22.03	\$155,666.93	17.58	\$212,367.03	24.19	\$189,437.44	21.61	\$184,297.74	21.69

TABLE E-1

DETROIT AND MACKINAC RAILWAY COMPANY

RAILWAY OPERATING REVENUES, EXPENSES AND TAX ACCRUALS BY YEARS

Year	Revenues	Expenses	Net Revenue	Railway Tax Accruals	Net Revenue Less Tax Accruals
1929	\$1,586,301.94	\$1,274,010.74	\$312,291.20	\$103,237.43	\$209,053.77
1930	1,082,774.02	959,900.99	122,873.03	91,649.69	31,223.34
1931	1,000,892.10	734,866.26	266,025.84	70,731.10	195,294.74
1932	759,894.83	606,788.00	153,106.83	50,001.27	103,105.56
1933	601,960.77	508,924.72	93,036.05	42,747.21	50,288.84
1934	632,904.36	514,332.73	118,571.63	* 1,733.27	116,838.36
1935	654,505.91	548,623.57	105,882.34	15,247.76	90,634.58
1936	803,484.39	605,305.79	198,178.60	21,118.51	177,060.09
1937	885,445.46	694,643.86	190,801.60	35,134.67	155,666.93
1938	877,856.23	630,599.65	247,256.58	34,889.55	212,367.03
1939	876,809.06	643,663.46	233,145.60	43,708.16	189,437.44
1940	849,680.71	623,629.04	226,051.67	41,753.93	184,297.74

*Includes \$26,714.43 Credit Adjustment.

TABLE F

DETROIT AND MACKINAC RAILWAY COMPANY

OPERATING EXPENSES

1940 COMPARED WITH 1939

MAINTENANCE OF WAY AND STRUCTURES

	Amount	Increase	Decrease
Superintendence	\$ 12,543.00		\$ 112.09
Roadway Maintenance	11,585.95	\$ 682.27	
Bridges, Trestles and Culverts	500.79		904.07
Ties	20,747.23	1,896.10	
Rails	312.82		1,195.30
Other Track Material	6,057.91	1,949.57	
Ballast	2,568.94	1,006.59	
Track Laying and Surfacing	53,722.26	21.46	
Fences, Snowsheds and Signs	5,815.90	3,137.75	
Station and Office Buildings	4,959.65	2,351.18	
Roadway Buildings	868.38	463.96	
Water Stations	373.24		417.60
Fuel Stations	205.97		195.53
Shops and Enginehouses	2,902.09	857.93	
Telegraph and Telephone Lines	1,520.46	277.15	
Signals and Interlockers	704.90		755.86
Power Plants			9.00
Power Transmission Systems	94.08	60.58	
Miscellaneous Structures	26.27	15.34	
Roadway Machines	2,674.81	329.78	
Small Tools and Supplies	2,416.60	260.15	
Removing Snow, Ice and Sand	5,217.22	165.93	
Public Improvements, Maintenance	1,030.83		353.10
Injuries to Persons	227.54	38.29	
Insurance	993.15	7.50	
Stationery and Printing	282.39	19.22	
Other Expenses	157.07	65.71	
Maintaining Joint Tracks, Yards, and Other Facilities—Dr.	1,926.38	312.45	
Maintaining Joint Tracks, Yards, and Other Facilities—Cr.	201.51		365.95
Total	\$139,608.68	\$10,341.25	

TABLE F—(Continued)

MAINTENANCE OF EQUIPMENT

	Amount	Increase	Decrease
Superintendence	\$ 10,973.07		\$ 3,739.64
Shop Machinery	564.25		477.46
Power Plant Machinery	539.39	\$ 99.15	
Steam Locomotives—Repairs	41,429.50		7,276.22
Other Locomotives—Repairs	14.01		116.54
Freight Train Cars—Repairs	26,373.38		11,455.33
Passenger Train Cars—Repairs	25,723.40	1,527.65	
Work Equipment—Repairs	1,462.53	425.84	
Miscellaneous Equipment—Repairs	226.29	105.15	
Equipment—Retirements	163.90		1,415.29
Equipment—Depreciation	32,187.32		500.99
Injuries to Persons	167.27		4,753.83
Insurance	554.86	19.45	
Stationery and Printing	489.28	158.20	
Other Expenses	741.33		28.51
Maintaining Joint Equipment—Dr.	184.48	16.76	
Maintaining Joint Equipment—Cr.	515.40	71.06	
Total	\$141,278.86		\$ 27,482.67

TRAFFIC

Superintendence	\$ 6,760.96	\$ 142.92	
Advertising	224.92		\$ 9.68
Traffic Associations	1,218.74		510.64
Insurance	19.38	2.97	
Stationery and Printing	3,108.30	41.87	
Total	\$ 11,332.30		\$ 332.56

TRANSPORTATION—RAIL LINE

Superintendence	\$ 18,751.06	\$ 355.19	
Dispatching Trains	4,322.65		\$ 2,411.02
Station Employees	49,264.37		986.00
Weighing, Inspection and Demurrage Bureaus	518.66		834.36
Station Supplies and Expenses	3,545.94	404.13	
Yardmasters and Yard Clerks	5,641.52	434.04	
Yard Conductors and Brakemen	9,184.88		516.39
Yard Enginemen	7,416.89		564.30
Yard Switching Fuel	7,777.54	29.95	
Water for Yard Locomotives	389.44	94.41	
Lubricants for Yard Locomotives	243.13		53.60
Other Supplies for Yard Locomotives	99.79		56.12
Enginehouse Expenses—Yard	5,198.44	731.47	
Yard Supplies and Expenses	906.34		160.42
Train Enginemen	28,536.06		1,517.01
Train Motormen	7,073.73	26.83	
Train Fuel	53,744.41		2,724.52
Water for Train Locomotives	1,682.51	205.09	
Lubricants for Train Locomotives	1,471.42		20.53
Other Supplies for Train Locomotives	521.30		49.34
Enginehouse Expenses—Train	26,967.40	3,641.70	
Trainmen	39,428.52		398.41

TABLE F—(Continued)

	Amount	Increase	Decrease
Train Supplies and Expenses	\$ 11,192.03	\$ 1,876.44	
Signal and Interlocker Operation	381.63	381.63	
Crossing Protection	25.05		\$ 129.92
Drawbridge Operation	2,751.18		87.83
Telegraph and Telephone Operation	3,199.61		27.23
Stationery and Printing	2,273.94		223.78
Other Expenses	1,401.69	1,370.08	
Insurance	405.55		5.25
Clearing Wrecks	353.50	251.71	
Damage to Property	25.00		825.00
Damage to Live Stock on Right of Way.....	117.99		11.53
Loss and Damage—Freight	1,166.98		266.59
Loss and Damage—Baggage	4.98	2.48	
Injuries to Persons	485.88	123.38	
Operating Joint Yards and Terminals—Dr....	7,099.03		114.36
Operating Joint Yards and Terminals—Cr....	5,740.19	337.06	
Operating Joint Tracks and Facilities—Dr...	1,671.80	675.44	
Operating Joint Tracks and Facilities—Cr...	1,473.47		55.28
Total	\$298,028.18		\$ 1,661.32

MISCELLANEOUS OPERATIONS

Dining and Buffet Service	\$ 234.81		\$ 79.69
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GENERAL

Salaries and Expenses of General Officers...	\$ 9,380.25		\$ 468.43
Salaries and Expenses of Clerks and Attendants	21,671.54	\$ 1,547.65	
General Office Supplies and Expenses.....	808.15		168.39
Law Expenses	2,238.68		131.95
Insurance	130.98		1.19
Pensions	4.68	.48	
Stationery and Printing	1,561.93		539.78
Valuation Expenses35		
Other Expenses	1,717.15	181.55	
Total	\$ 37,513.71	\$ 419.94	

SUMMARY

Maintenance of Way and Structures.....	\$139,608.68	\$10,341.25	
Maintenance of Equipment	141,278.86		\$ 27,482.67
Traffic	11,332.30		332.56
Transportation—Rail Line	298,028.18		1,661.32
Miscellaneous Operations	234.81		79.69
General	37,513.71	419.94	
Transportation for Investment—Cr.....	4,367.50	1,239.37	
Total Operating Expenses	\$623,629.04		\$ 20,034.42

TABLE G

DETROIT AND MACKINAC RAILWAY COMPANY

STATEMENT OF MILEAGE, DECEMBER 31, 1940

MAIN LINE

North Bay City to Cheboygan	195.10
One-half Undivided Ownership—Foss to North Bay City26

BRANCHES

Omer to Au Gres	7.95
National City to Prescott	12.26
Alabaster Junction to Alabaster	4.27
Hillman Junction to Emerson	10.38
Rogers City Junction to Rogers City	14.33
Total	49.19
Total Main Line and Branches	244.55
Yard Tracks and Sidings	60.72
Total, all Tracks (miles)	305.27

TABLE H

DETROIT AND MACKINAC RAILWAY COMPANY

CLASSIFICATION OF FREIGHT TONNAGE

<i>Products of Agriculture:</i>	1940 Tons	Per Cent	1939 Tons	Per Cent
Grain	1,207	.2	492	.1
Flour	2,692	.4	2,712	.3
Other Mill Products	1,103	.1	1,711	.2
Hay and Straw	2,707	.4	1,712	.2
Potatoes	2,452	.3	6,862	.9
Fruits and Vegetables	4,449	.6	3,220	.4
Sugar Beets	17,980	2.4	26,339	3.3
Other Products of Agriculture	1,344	.2	597	.1
Totals	33,934	4.6	43,645	5.5

TABLE H—(Continued)

	1940 Tons	Per Cent	1939 Tons	Per Cent
<i>Animals and Products:</i>				
Live Stock	484	.1	462	.1
Wool	239		111	
Hides and Leather	20		19	
Other Animals and Products	938	.1	705	.1
Totals	1,681	.2	1,297	.2
<i>Products of Mines:</i>				
Anthracite Coal	693	.1	521	.1
Bituminous Coal	27,301	3.7	30,526	3.8
Coke	1,684	.2	767	.1
Clay, Gravel, Sand and Stone.....	386,423	52.2	395,202	49.6
Petroleum—Crude	29,816	4.1	95,783	12.0
Other Products of Mines	3,232	.4	3,494	.5
Totals	449,149	60.7	526,293	66.1
<i>Products of Forests:</i>				
Pulp Wood	11,435	1.5	13,476	1.7
Lumber, Shingles and Lath	12,645	1.7	9,782	1.2
Other Products of Forests	3,424	.5	4,096	.5
Totals	27,504	3.7	27,354	3.4
<i>Manufactures and Miscellaneous:</i>				
Refined Petroleum and its Products	40,757	5.5	34,407	4.3
Sugar	189		377	
Rails and Fastenings	188		1,051	.1
Bar and Sheet Iron, Structural Iron and Iron Pipe	4,078	.5	5,063	.6
Castings, Machinery and Boilers	3,227	.4	1,282	.2
Cement	26,701	3.6	4,709	.6
Brick and Artificial Stone	1,971	.3	2,348	.3
Lime and Plaster	27,016	3.7	32,939	4.2
Building Paper and Prepared Roofing Material	1,318	.2	2,636	.3
Beverages	81		97	
Fertilizers (all kinds)	767	.1	883	.1
Newsprint and Printing Paper	8,660	1.2	7,249	.9
Chemicals and Explosives	855	.1	830	.1
Canned Goods (all canned food products)....	662	.1	625	.1
Paper Bags and Wrapping Paper	8,569	1.2	10,979	1.4
Paperboard, Pulpboard and Wallboard.....	5,419	.7	5,234	.7
Other Manufactures and Miscellaneous.....	87,340	11.8	75,938	9.5
Totals	217,798	29.4	186,647	23.4
All L. C. L. Freight	10,020	1.4	10,880	1.4
Grand Total, Carload and L. C. L. Traffic	740,086	100%	796,116	100%

TABLE I
DETROIT AND MACKINAC RAILWAY COMPANY
FREIGHT STATISTICS

	1940	1939
Number tons revenue freight carried.....	740,086	796,116
Number tons non-revenue freight carried.....	26,725	26,544
Total number tons of freight carried.....	766,811	822,660
Number revenue tons carried one mile.....	50,908,000	58,867,000
Number all tons carried one mile.....	52,948,500	60,901,600
Number revenue tons carried one mile, per mile of road	210,294	243,172
Number tons all freight carried one mile, per mile of road	218,723	251,576
Average distance haul of one ton revenue freight (miles)	68.79	73.94
Average distance haul of one ton all freight (miles)	69.05	74.03
Total freight revenue	\$ 729,931.11	\$ 748,955.10
Average amount received for each ton of freight98628	.94076
Average receipts, per ton, per mile.....	.01434	.01272
Freight revenue, per mile of road	3,015.24	3,093.83
Freight revenue, per train mile	4.99	5.07
Average number of revenue tons, per train mile	347.93	398.37
Average number of all tons, per train mile.....	361.88	412.14
Average number of all tons, per loaded car mile	27.5	28.2
Average number of cars, per train mile.....	21.8	24.4

PASSENGER STATISTICS

Number of passengers carried	17,871	18,451
Number of passengers carried one mile.....	1,405,700	1,442,900
Number of passengers carried one mile, per mile of road	5,807	5,962
Average distance each passenger carried (miles)	78.65	78.20
Passenger revenue	\$ 25,604.09	\$ 30,302.15
Average amount received from each passenger	1.43	1.64
Average receipts, per passenger, per mile.....	.01821	.02100
Total passenger train earnings	90,043.85	97,628.28
Passenger earnings per mile of road	371.96	403.29
Passenger earnings, per train mile.....	.50	.52
Average number of passengers, per train mile..	7.75	7.69

OPERATING STATISTICS

Gross revenue from operation	\$ 849,680.71	\$ 876,809.06
Gross revenue from operation, per mile of road	3,509.92	3,621.98
Operating expenses	623,629.04	643,663.46
Operating expenses, per mile of road.....	2,576.14	2,658.89
Operating expenses, per train mile	1.90	1.92
Net operating revenue	226,051.67	233,145.60
Net operating revenue, per mile of road.....	933.79	963.09
Ratio of expenses to earnings	73.40	73.41

TABLE J

DETROIT AND MACKINAC RAILWAY COMPANY

EQUIPMENT

<i>Locomotives:</i>			
	1939	1940	
Passenger	5	5	
Freight	11	11	
Switching	5	5	
Totals	21	21	
<i>Passenger Cars:</i>			
Coaches	5	5	
Cafe	1	1	
Parlor	1	1	
Gas Electric Combination Passenger, Baggage and Mail	2	2	
Combination Passenger and Baggage	4	4	
Combination Baggage and Mail	2	2	
Baggage and Express Cars	16	16	
Express Refrigerators	8	9	
Totals	39	40	
<i>Freight Cars:</i>			
Box	190	195	
Flat	41	41	
Coal Cars	55	55	
Refrigerators	6	6	
Caboose Cars	10	10	
Totals	302	307	
<i>In Company's Service:</i>			
Officers	1	1	
Ballast	3	3	
Derrick Cars	1	1	
Flangers	11	11	
Snow Plow	1	1	
Jordon Spreader	1	1	
Industrial Crane	1	1	
Other Road Cars	80	80	
Totals	99	99	
<i>Summary:</i>			
Total Number of Locomotives Owned	21	21	
Total Number of Cars Owned	440	446	

TABLE K

DETROIT AND MACKINAC RAILWAY COMPANY

STATEMENT OF TRACKS BUILT AND TAKEN UP

DURING YEAR 1940

TRACKS BUILT

Track Order	YARD TRACKS, SIDINGS AND SPURS	Location	Fee
1922	Track 27	Alpena	75
1934	Track 63-B.....	Alpena	143
	Total		<u>218</u>

TRACKS TAKEN UP

Track Order	YARD TRACKS, SIDINGS AND SPURS	Location	Fee
1929	Back End Track 2.....	Tawas City	238
1931	Tracks 26 and 35.....	Alpena	252
1933	Track 72.....	Twining	213
	Total		<u>703</u>

SUMMARY

	Miles
Tracks Taken Up.....	.13
Tracks Built.....	<u>.04</u>
Net Decrease.....	.09

